6

SOCIAL SECURITY

INTRODUCTION

6.1 Social security is based on the recognition of the fundamental social right guaranteed by law to all human beings who live from their own labour and who find themselves unable to work temporarily or permanently for reasons beyond their control. The state, as an agent of change, has to develop a system of providing protection to its labour through a legislative, as well as an administrative mechanism, so as to provide responsive, efficient, and long term assistance to its work force.

6.2 In India, social security measures draw their strength from the Directive Principles of State Policy, which inter-alia, enjoins upon the State, to strive to promote the welfare of the people by securing and protecting, as effectively as it may, a just economic and social order. Today, social security programmes have come under greater focus. International Labour Organisation, as also the Indian Labour Conference view social security requirements to be of paramount significance. India on its part has ratified some ILO Conventions and it is the constant endeavour of the Government to provide a security net to the workers so that they are secure in times of contingencies such as retirement, resignation, retrenchment, death and disability.

SOCIAL SECURITY LAWS

6.3 The principal social security laws enacted centrally are the following:

- The Workmen's Compensation Act, 1923 (WC Act)
- The Employees' State Insurance Act, 1948 (ESI Act)
- The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 (EPF & MP Act)

  (Separate provident fund legislations exist for workers employed in Coal mines and tea plantations in the state of Assam and for seamen).
- The Maternity Benefit Act, 1961 (M.B. Act)
- The Payment of Gratuity Act, 1972 (P.G, Act)

ADMINISTRATION OF SOCIAL SECURITY ACTS

6.4 The EPF & MP Act is administered exclusively by the Government of India through the Employees' Provident Fund Organisation (EPFO). The cash benefits under the ESI Act are administered by the Central Government through the Employees State Insurance Corporation (ESIC), whereas medical care under the ESI Act is being administered by the State Governments and Union Territory Administrations. The Payment of Gratuity Act is administered by the Central Government in establishments under its control, establishments having branches in more than one state, major ports, mines, oil fields and the railways and by the state governments and union territory administrations in all other cases. In mines and circus industry, the provisions of the Maternity Benefit Act are being administered by the Central Government through the Chief Labour Commissioner (Central) and by the State Governments in factories, plantations and other establishments. The provisions of the W.C. Act are being administered exclusively by state governments.

EMPLOYEES' PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952

6.5 The EPF & NP Act, 1952 came into force with effect from 14th March, 1952.

Presently the following three Schemes are in operation under the Act:

- Employees' Provident Funds Scheme, 1952
- Employees' Deposit Linked Insurance Scheme, 1976
- Employees' Pension Scheme, 1995

COVERAGE OF ESTABLISHMENTS AND MEMBERS

6.6 Employees' Provident Funds and Miscellaneous Provisions Act, 1952 extends to the whole of India except the State of Jammu and Kashmir.[The State Government of Jammu and Kashmir have instituted a separate Provident Fund Scheme with effect from 1st June 1961]. The Act initially applied to factories/establishments falling within 6 specified industries. Presently, the Act is applicable to 180 specified industries/classes of establishments. The Act is applicable to every establishment which is engaged in any one or more of the industries specified in Schedule I of the Act or any activity Notified by Central Government in the Official Gazette; employing 20 or more persons.

The Act does not apply to Co-operative Societies/Establishment, employing less than 50 persons and working without the aid of power. graph 6.6

ELIGIBILITY FOR MEMBERSHIP

6.7 At the inception of the EPF Scheme 1952, an employee who was in receipt of pay up to Rs.300/- per month and who worked for one year was eligible for membership of the Scheme. However, w.e.f 1.6.2001 an employee on joining the employment in a covered establishment and getting wages up to Rs.6500/- p.m. is required to become a member. As on 31st March 2001 there were 3,40,013 establishments and factories covered under the Act with a membership of 263.01 lakh under EPF Scheme both in Exempted and Unexempted Sector. Graph 6.7.

ADMINISTRATION

6.8 The Fund is vested with and is administered by the Central Board of Trustees appointed by the Central Government. The Central Board is a tripartite body consisting of a Chairman, a Vice-Chairman and representatives of the Central Government, State Governments, Employers' and Employees' Organisations. The Central Board is assisted by an Executive Committee in the performance of its functions. Minister for Labour is the Chairman of Central Board of Trustees while Secretary, Ministry of Labour is the Chairman of the Executive Committee. The Central Provident Fund Commissioner is the Chief Executive Officer of the Employees Provident Fund Organisation and is ex-officio member of the Board.

6.9 The EPFO apart from Headquarters at New Delhi has number of field Offices and Training Centres throughout the country. As on 31.03.2001 the position is as follows: —

Regional Offices	17
Sub-Regional/Sub-Accounts Offices	87
Services Centers	12
National Academy for Training and Research on Social Security / Zonal Training Institutes	6
District Offices	163

COST OF ADMINISTRATION

6.10 The Administrative expenditure of Provident Funds Scheme is met out of the Administrative charges received from the employers of the un-exempted establishments and inspection charges from the employers of exempted establishments.

6.11 The rate of Administrative charge payable by un-exempted establishment is 1.10% of the wages on which Provident Fund contribution is payable. The minimum administrative charges payable per month per establishment have been fixed as Rs.5/- per month. The rate of Inspection charges payable by exempted establishments is 0.18% of wages on which provident fund contribution is payable. During the year 2000-2001, Rs.459.42 crore has been collected as administrative & inspection charges.

RATE OF CONTRIBUTION

6.12 The employers & employees contribute to the Provident Fund at the rate of 12% each of the basic wages, dearness allowance including cash values of food concession and retaining allowance, if any. Out of 12% of employers' share, 3.67% goes to the Provident Fund & 8.33% contributed to the Pension Fund. The rate of contribution is 10% for both employers' & employees' in five specific industries only i.e. brick, beedi, jute, coir and guargum. Here also, out of 10% of employers' share, 1.67% goes to Provident Fund & 8.33% contributed to the Pension Fund.

6.13 During the year 2000-2001, Rs.10728.44 crore were received as Provident Fund contributions, out of which Rs.6399.55 crore were collected from un-exempted establishments by the organisation & Rs.4328.89 crore were transferred to respective Board of Trustees by the exempted establishments. Graph 6.13

INVESTMENT AND RATE OF INTEREST

6.14 The contributions received by the Employees' Provident Fund Organisation in respect of un-exempted establishments are invested as per the pattern of investment prescribed by the Central Government from time to time. Day to day Investment is being managed by State Bank of India, Central Office Mumbai. The establishments, which are exempted under the Act, are also required to follow the same pattern of invertment . Government of India, Ministry of Finance has notified the pattern of investment effective from 01.04.98 as given below:

	INVESTMENT PATTERN	% OF AMOUNT TO BE INVESTED
(i)	Central Government Securities	25 %
(ii)	a) Government Securities as defined in Section 2 of the Public Debt Act, 1944 (18 of 1944) created and issued by the State Government; and/or (b) Any other negotiable securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government except those covered under (iii) (a) below.	15%
(iii)	(a) Bonds/Securities of 'Public Financial Institutions' as specified under Section 4(a) of the Companies Act, "Public Sector Companies" as defined in Section 2(36-A) of the Income tax Act, 1961, including public sector banks and (*) the Infrastructure Development Finance Company Limited (IDFC) and/or (b) Certificates of deposits issued by a public sector bank.	40 %
(iv)	To be invested in any of the above three categories as decided by the Board of Trustees	20 %
(v)	The Board of Trustees, subject to their assessment of the risk return prospects, may invest upto 10% out of (iv) above, in private sector bonds/securities which have an investment grade rating from at least two credit rating agencies.	

***This clause added by Notification dated 10.3.1998**.

6.15 Any amount received on the maturity of earlier investments reduced by obligatory outgoing shall be invested in accordance with the investments pattern as prescribed in above Notification. The interest received on the investment of a particular category goes back to same category. As on 31.03.2001 the total investment amounted to Rs. 88,662.08 crore out of which Rs.54,404.66 crore pertained to un-exempted establishments.

6.16 Under the Employees' Provident Funds Scheme 1952, the Central Government on the recommendation of the Central Board of Trustees, Employees Provident Fund declares the rate of interest to be credited to the accounts of Provident Fund members annually. The rate of interest which was 3% per annum in 1952-53 has undergone periodical revision and was 9.5% per annum for the year 2001-2002 on monthly running balances.

BENEFITS UNDER THE SCHEME

6.17 Partial withdrawals by way of advances are allowed to members for specified purposes.

During the year 2000-2001, financial assistance was provided to the members by allowing partial withdrawals by settling 4.35 lakh such cases & disbursing an amount of Rs.105681.27 lakh. Further 17.50 lakh claims under the Act were settled and an amount of Rs.4186.26 crore was disbursed.

EMPLOYEES' PROVIDENT FUNDS ARREARS

6.18 The Provident Fund arrears as on 31.3.2001 were of the order of Rs.1184.10 crore.

The Employees' Provident Fund Organisation recovers outstanding dues from defaulting employers under Section 8 of the Employees' Provident Funds Act. The Organisation also launches prosecution against the defaulting employers under Section 14 of the Employees' Provident Fund Act. Further, the Organisation prosecutes employers who deduct employees' share of contribution but do not remit the same to the Fund under Section 406/409 of the Indian Penal Code. During 2000-2001, arrears amounting to Rs.796.97 crore were recovered.

BOX-6.18(a)

PROVIDENT FUND ARREARS (Rs. In Crore)

Year	Arrears at the end of the year (Unexempted)	Arrears at the end of the year (Exempted)	Total Arrears (Unexempted + Exempted)
1996-97	302.10	164.46	466.56
1997-98	286.17	177.80	463.97
1998-99	338.31	234.87	573.18
1999-2000	589.17	469.13	1058.30
2000-2001	766.51	417.59	1184.10

BOX-6.18(b)

PROSECUTION CASES UNDER SECTION 14 (UNEXAMPTED SECTOR)

Year	Total Cases for disposal	Cases decided	Pending at the end of the year
1996-97	79106	8101	71005
1997-98	75824	2636	73188
1998-99	80525	4196	76329
1999-2000	40838	3773	37065
2000-2001	39168	4858	34310

BOX – 6.18(c)

PROSECUTION CASES UNDER SECTION 406/409 IPC (UNEXAMPTED SECTOR)

Year	FIR filed with the Police	Cases dropped/challans filed in the Court by Police	Cases Pending with Police
1996-97	5967	76	5891
1997-98	6387	394	5993
1998-99	7104	107	6997
1999-2000	7852	626	7226
2000-2001	7769	46	7723

EMPLOYEES' DEPOSIT LINKED INSURANCE SCHEME, 1976

6.19 Employees' Deposit Linked Insurance Scheme, 1976 is applicable to all factories/ establishments to which the EPF & MP Act applies. This Scheme came into force with effect from August 1, 1976. All the employees who are members of the provident fund are required to become members of this Scheme.

6.20 While the employee-members are not required to contribute to the Insurance Fund, the employers are required to pay contributions to the Insurance Fund at the rate of 0.5 per cent of pay i.e. basic wages, dearness allowance including cash value of food concession and retaining allowance, if any. During 2000-2001 a sum of Rs. 139.36 crore comprising of employers contribution was deposited.

6.21 The employers of all covered establishments are required to pay administrative charges to the Insurance Fund for meeting the expenses. The rate of administrative charges is 0.01 per cent of the pay i.e. basic wages, dearness allowance including cash value of food concession and retaining allowance, if any, with effect from 1st October 1987 subject to a minimum of Rs. 2.00 per month.

6.22 The employees of covered establishments granted exemption under the EDLI Scheme are required to pay the inspection charges @ 0.005 % of basic wage, dearness allowance including cash value of food concession and retaining allowance, if any.

6.23 During the period under the report, Rs.7.84 crore has been received as administrative & inspection charges from the covered establishments.

6.24 On the death of an employee, while in service, who is a member of the Employees' Provident Fund or of the exempted Provident Fund, the persons entitled to receive the provident fund accumulations will be paid an additional amount equal to the average balance in the provident fund account of the deceased during the preceding 12 months subject to a maximum of Rs.60,000/-.

6.25 During 2000-2001, there were 26,260 claims settled and an amount of Rs.44.53 crore was disbursed.

6.26 Contributions received in the "Insurance Fund" till 31.3.1997 are kept in the Public Account of the Government of India. The contributions received in the Insurance Fund from 1.4.1997 onwards are being invested as per the pattern prescribed for the Provident Fund.

6.27 A sum of Rs.2782.96crore was lying invested at the end of 2000-2001.

EMPLOYEES' PENSION SCHEME - 1995

Coverage

6.28 Employees' Pension Scheme, 1995 has been introduced w.e.f. 16.11.1995. With the introduction of the Pension Scheme, the erstwhile Family Pension Scheme, 1971 has ceased to operate. However, the pensioners who were drawing benefits under the erstwhile Family Pension Scheme, 1971 will continue to draw Family Pension under the Employees' Pension Scheme, 1995.All Provident Fund members including those employed in exempted establishments contributing to the Family Pension, 1971 and new entrants to Employees' Provident Fund Scheme, 1952 shall compulsorily become members of the Employees' Pension Scheme, 1995.

Eligibility

6.29 Members on attaining the age of 58 years and having rendered minimum ten years contributory service (including the membership period and with ceased Family Pension Scheme, 1971) shall qualify for superannuation Pension. For serving less than 10 years, member shall be eligible for scheme certificate or withdrawal benefit as the case may be.

Cost of Administration

6.30 The Administrative expenditure of Provident Funds Scheme and 84% of the administrative cost of Employees' Pension Scheme is met out of the Administrative charges received from the employers of the un-exempted establishments and inspection charges from the employers of exempted establishments. 16% cost of administration of Employees' Pension Scheme is borne by the Pension Fund.

Benefits under the Scheme

6.31 Employees' Pension Scheme, 95 provides the following benefit package:

- Superannuation on attaining the age of 58 years.

- Retirement
- Permanent total disablement
- Death during service
- Death after retirement/superannuation/ permanent total disablement.
- Children pension
- Orphan pension.

6.32 The category-wise break up of pension claims (all benefits) settled during the year 2000-2001 is indicated in the following Table.

CATEGORY OF CLAIMS	NO. OF CLAIMS SETTLED
Monthly Pension Benefits	206026
Life Assurance Benefit	2610
Retirement-cum-withdrawal benefit	1400547
Refunds	54420
TOTAL	**1663603**

Contribution – Pension Fund

6.33 The Scheme is financed by diversion of 8.33% of the Provident Fund contribution from employers' share and by contribution @ 1.16% of basic wages from the Central Government. All accumulations in the ceased Family Pension Fund constitute the corpus of the pension fund. During the year 2000-01, Rs.4222.61 crore were received as Pension Fund Contribution. Out of which, Rs.3632.61 crore were collected from Employers Share & Rs.590 crore were contributed by Central Government.

Investment of the Pension Fund

6.34 The Scheme provides for investment of the pension fund as per the pattern indicated below:

- Family Pension corpus as on 15.11.1995 and the Central Government's contribution from 16.11.1995 onward shall be invested in the Public Account of the Government of India.
- Other accretions to the Pension Fund shall be invested as per the pattern prescribed for the Employees' Provident Funds Scheme, 1952.
- Investment of Pension Fund during 2000-2001 was Rs.5806.26 crore.

Pension Beneficiaries

6.35 The beneficiaries of the ceased Family Pension Scheme continue to get benefits under the new pension scheme. As on 30.9.2001,there were 5,01,772 members, 3,33,580 spouse, 2,05,306 children,3625 orphans and 3,542 nominee getting pension under the scheme. Total amount disbursed among the pensioners during the year was Rs.951.41 crore. Pension is being disbursed through the nationalized banks and post offices.

6.36 The Pension Fund is required to be evaluated through a qualified Actuary on annual basis. The work relating to 3rd and 4th valuation of Pension Fund has since been completed on 31.03.1999 and 31.03.2000 respectively and an additional relief of 4% (for both these years) has been sanctioned, w.e.f. 01.04.1999 and 01.04.2000 respectively.

MODERNISATION PROGRAMME - REINVENTING EPFO

6.37 EPFO has its operational presence in over 279 locations throughout the country deploys over 20,000 manpower and is in the process of undertaking a comprehensive organization-wide Information Technology Reform agenda, aimed at creating a country-wide integrated information backbone.

EPFO has embarked on a re-inventing programme:

- to improve client service in order to reduce turn around time in claim settlement to 2-3 days.
- to qualitatively improve the reach and effectiveness of the compliance programme.
- to qualitatively improve the delivery of the pension programme.
- to retool the bookkeeping and reconciliation of accounts and the management of money flows so that the accounting function can effectively support the above three programmes.

The future programmes include:

- An All India Unique Identification Number will be allotted to every subscriber, which will remain the unique number regardless of geographical location of the employer.
- An All India unique number will also be given to establishments as their Business number.

- Subscriber member can go to any of the field offices, access his account and get information.
- Subscriber member can go to any of the field offices upto Inspectorate level and file his claim, get the claim processed and get settlement of account in a uniform turn around time of 2 to 3 days.
- Information/challans from banks and returns/challans from employers will be processed on line, reconciled, cleared and automatically credited and/or debited in the relevant accounts.
- Electronic filing of returns will be developed.
- The rearranged compliance function will create a compelling environment that makes it cheaper to comply and expensive to under-report or non-report employment strength.
- Electronic clearance and credit of payments in pensioner/subscriber accounts will ensure credit of money into the payees' bank within 4 days of settlement of claim.
- The compliance function will be retooled to minimize visitation by Inspectors.
- The compliance function will be IT assisted through a system of intelligence gathering and third party information collection.

PUBLIC GRIEVANCES

6.38 Redressal of grievances of the members as also those of the claimants is an area of high priority for the Organisation. Efforts were put in by the Organisation in this area and mechanism was built up to acknowledge and settle the grievances of the members and claimants. In particular:

- A computerized public grievances handling system has been introduced in all the field formations. Facilitation centres also have been set up at all offices of EPF Organisation to redress the public grievances.
- Lok Adalats are being organised on 10th of every month for on the spot redressal of grievances in all Regional/Sub-Regional Offices.

PROVIDENT FUND SCHEME FOR TEA PLANTATION FOR ASSAM

6.39 Separate Provident Fund, Family Pension & EDLI schemes are in operation for tea plantation workers in the state of Assam. These schemes provide social security benefits as admissible to the workers covered under the EPF & MP Act, 1952 except that the Family Pension scheme modelled on the pattern of the ceased Family Pension Scheme 1971 is still continuing.

THE EMPLOYEES' STATE INSURANCE SCHEME

Coverage

6.40 The ESI Act provides for health care and cash benefit payments in the case of sickness, maternity and employment injury. The Act is applicable to non-seasonal factories using power and employing 10 or more persons and non-power using factories and certain other establishments employing 20 or more persons. The Act is being implemented areas-wise in a phased manner. The ESI Scheme is operated in 677 centres situated in 25 states/union territories and almost 85,00,000 insured persons and about 3,29,54,800 beneficiaries are covered under the Scheme. The number of factories and establishments covered by the end of the year had gone upto about 2,38,000. Graph 6.40

Administration

6.41 The ESI Scheme is administered by a statutory body called the Employees' State Insurance Corporation (ESIC) which has members representing Employers, Employees, Central Govt. State Governments, Medical Profession and the Parliament. The Union Minister for Labour is the Chairman of the ESIC. A Standing Committee constituted from among the members of the Corporation acts as the executive body for administration of the Scheme and is chaired by Secretary to the government of India, in the Ministry of Labour. There is also a Medical Benefit Council to advise the Corporation on matters connected with the provisions of Medical benefit. Regional Boards and Local Committees have been set up at the grass root level. There are 21 Regional Boards and 351 Local Committees in existence. The General purposes Sub-Committee of the Corporation visits various states and union territories from time to time with a view to assessing the quality of medical care being provided and making suggestions for further improvements in the service delivery system.

6.42 The Director General (ESIC) is the Chief Executive Officer of the Corporation and is also an ex-officio member of the Corporation. The ESI Corporation, apart from its Hqrs. Office located at Delhi has 17 Regional Offices, 10 Sub-Regional Offices, 627 Local Offices, 343 Inspection Offices, and 219 Pay Offices all over the country for administration of the Scheme.

Funding and operation of the Scheme

6.43 The ESI Scheme is mainly financed by contributions from the employers and employees. The rates of the employers' and the employees' contribution are 4.75% and 1.75% respectively. The State Governments' share of the expenditure on the provision of medical care is to the extent of 1/8th within the per capita ceiling. The Corporation has prescribed a ceiling on the shareable expenditure on medical care. From 1st April 1999, the ceiling on expenditure per insured person family unit was raised to Rs.600/- per annum and is still in vogue. Out of this, per capita ceiling an amount of Rs.170/- is earmarked for drugs and dressings. However, certain specific items of expenditure are provided for outside the ceiling and shared in the same proportion. All capital expenditure on construction of E.S.I. hospitals, and other buildings including their maintenance is borne exclusively by the Corporation.

Investment and rate of interest

6.44 All contributions received under the ESI Act and all other moneys belonging to the fund which are not immediately required for defraying day to day expenses are invested in the manner prescribed statutorily. As on 30.9.2001, the total investment of fund was Rs.6686.70 crore. Out of this, an amount of Rs.3751.43 crore was invested in the Special Deposit Account of the Govt. of India and the balance of Rs.2935.27 crore was invested in fixed deposits with nationalised banks, financial institutions etc. Interest earned on the fund invested in the Special Deposit Accounts is 9.5% per annum with effect from 1.4.2001.

Arrears of ESI dues

6.45 A sum of Rs.649.80 crore was in arrears as on 31.3.2001 on account of default by the employers of covered factories/establishments. Out of this, an amount of Rs.317.35 crore was not recoverable for the present due to various reasons such as enterprises having gone into liquidation, enterprises having been declared sick by the Board for Industrial and Financial Reconstruction (BIFR), enterprises being under rehabilitation scheme sanctioned by BIFR or recovery having been disputed in courts etc. The balance, amounting to Rs.332.45 crore represents the arrears for the recovery of which the Corporation could take legal action. The Corporation has been taking necessary legal and penal action accordingly under various provisions of the ESI Act and under the Indian Penal Code for recovery of ESI dues. During the year 2000-2001 the Corporation realised Rs.67.50 crore from the defaulters through its own recovery machinery. Further, an amount of Rs.27.24 crore was recovered between April to August, 2001.

Health Benefits

6.46 The Scheme provides full medical facilities, from primary health care to super speciality treatment in respect of the insured population. The medical care under the Scheme is administered by the State Governments who have the statutory responsibility in this regard except in the National Capital Region of Delhi and Noida in Uttar Pradesh. The Corporation also administers directly the five Occupational Disease Centres cum general hospitals one each at Delhi, Pune Chennai, Kolkata and Nagda (M.P.). During the period under report the Corporation commissioned four new ESI hospitals at Rohini and Okhla in Delhi, Pali in Rajasthan and Nizamabad in Andhra Pradesh. The total number of ESI hospitals by the end of October, 2001 was 140. Improvements made in implementation of ESI Scheme.

- During the year under report the scheme was implemented at 15 new geographical areas covering about 25000 additional employees. The number of employers covered under the scheme went up from the existing 2,35,000 to 2,38,000.
- The eligibility conditions for payment of

Box 6.46

ESI MEDICAL INFRASTRUCTURE (As on 31.3.2001)	
ESI Hospitals (Nos.)	140
ESI Annexes (Nos.)	43
Beds constructed in ESI Hospitals (nos.)	22620
Beds in ESI Annexes	867
Reserve Beds in State Govt. Hospitals.	3443
Insurance Medical Officers	6222
ESI Dispensaries	1453
Panel Clinics	2950

sickness benefit and maternity benefit were further relaxed. As against 91 days contribution in two contribution periods only 78 days contribution is now required for claiming sickness benefit. For maternity benefit 70 days contribution is now required to have been paid in preceding one year as against 80 days earlier.

- To compensate for the erosion in the value of money due to increase in the cost of living index, employees earning up to Rs.40/- a day have been exempted from payment of contribution. Earlier this wage limit for exemption was Rs.25/- a day.
- The upper ceiling for payment of funeral expenses was enhanced from Rs.1500/- to Rs.2500/-.
- During the period under report five new diseases were added to the list of specific long term diseases that entitle an employee to claim extended sickness benefit in case of prolonged disease or disability.
- In order to facilitate further improvements in the functioning of the scheme the Corporation set up new sub-regional offices at Vadodra, Surat, Marol & Thane (Maharashtra) and Barackpur in West Bengal.
- The Corporation took over the newly constructed ESI Hospitals at Chandigarh and Chinchwad for direct administration. The hospitals are scheduled to be commissioned by the end of this year.
- In order to contain the misuse of medical facilities under the scheme the Corporation introduced Family Photo Identity Cards in respect of insured persons and beneficiaries from April, 2001.

Payment of Gratuity Act, 1972

- The Payment of Gratuity Act,1972 applies to factories and other establishments employing 10 or more persons. On completion of five years service the employees are entitled to payment of gratuity @ 15 days wages for every completed year of service or part thereof in excess of six months subject to the maximum of Rs.3.50 lakh. The current maximum limit is applicable from 24.9.1997. The wage ceiling for coverage under the Act has since been removed w.e.f. 24.5.94.

Workmen's Compensation Act; 1923

- The Act provide for payment of compensation to workmen and their dependants incase of injury and accident (including certain occupational disease) arising out of and in the course of employment and resulting in disablement or death. This applies to railway servants and persons employed in any such capacity as is specified in Schedule II of the Act. Schedule II includes persons employed in factories, mines, plantations, mechanically propelled vehicles, construction works and certain other hazardous occupations. Minimum rates of compensation for permanent total disablement and death have been fixed at Rs.90,000 and Rs.80.000 respectively. Maximum amount for death and permanent total disablement can go up to Rs.4.56 lakh and Rs.5.48 lakh respectively depending on age and wages of workmen.

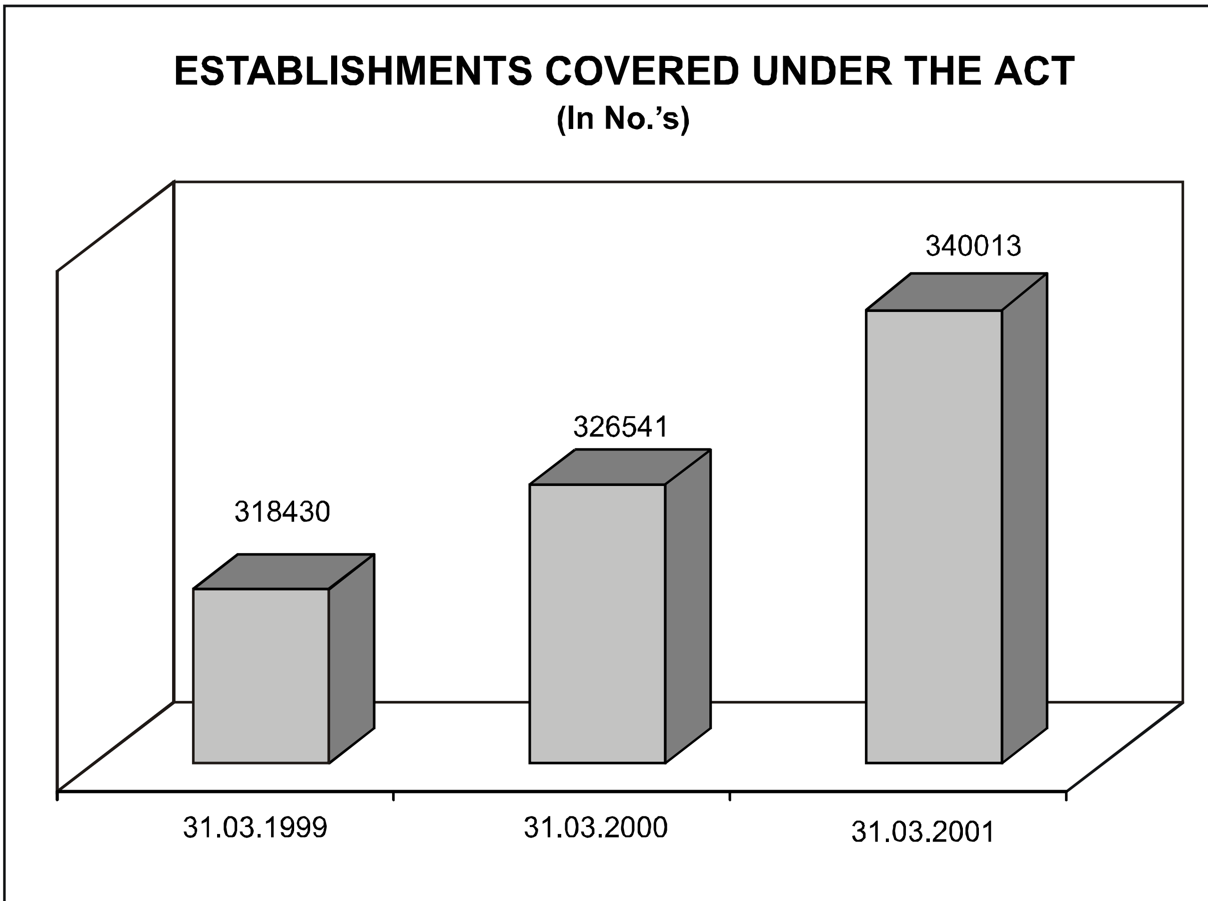
Maternity Benefits Act, 1961.

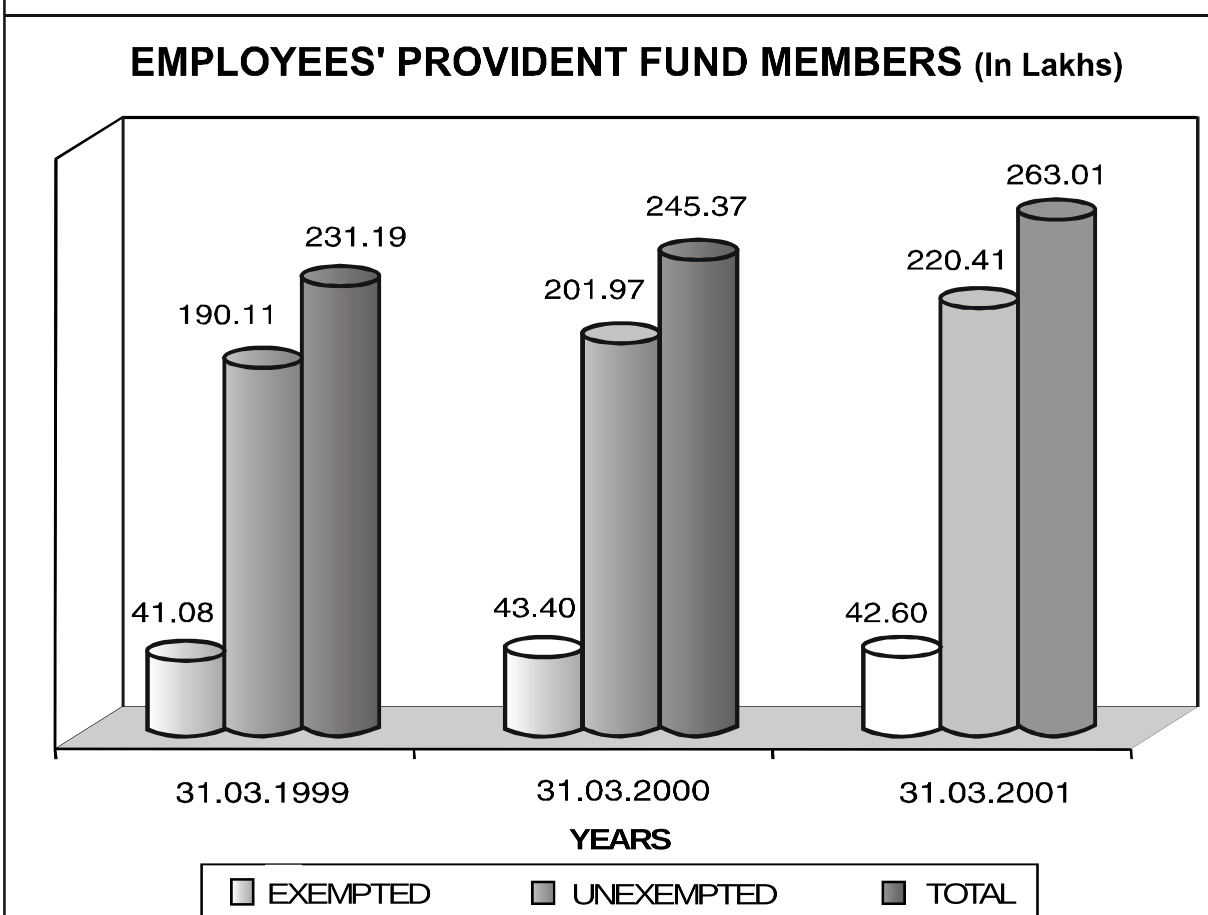
- The Maternity Benefit Act, 1961 regulates employment of women in certain establishments for a certain period before and after childbirth and provides for maternity and other benefits. The Act is applicable to mines, factories, circus industry, plantation, shops and establishments employing ten or more persons, except employees covered under the Employees' State Insurance Act, 1948. It can be extended to other establishments by the State Governments. There is no wage limit for coverage under the Act.

INTERNATIONAL SOCIAL SECURITY ASSOCIATION (ISSA)

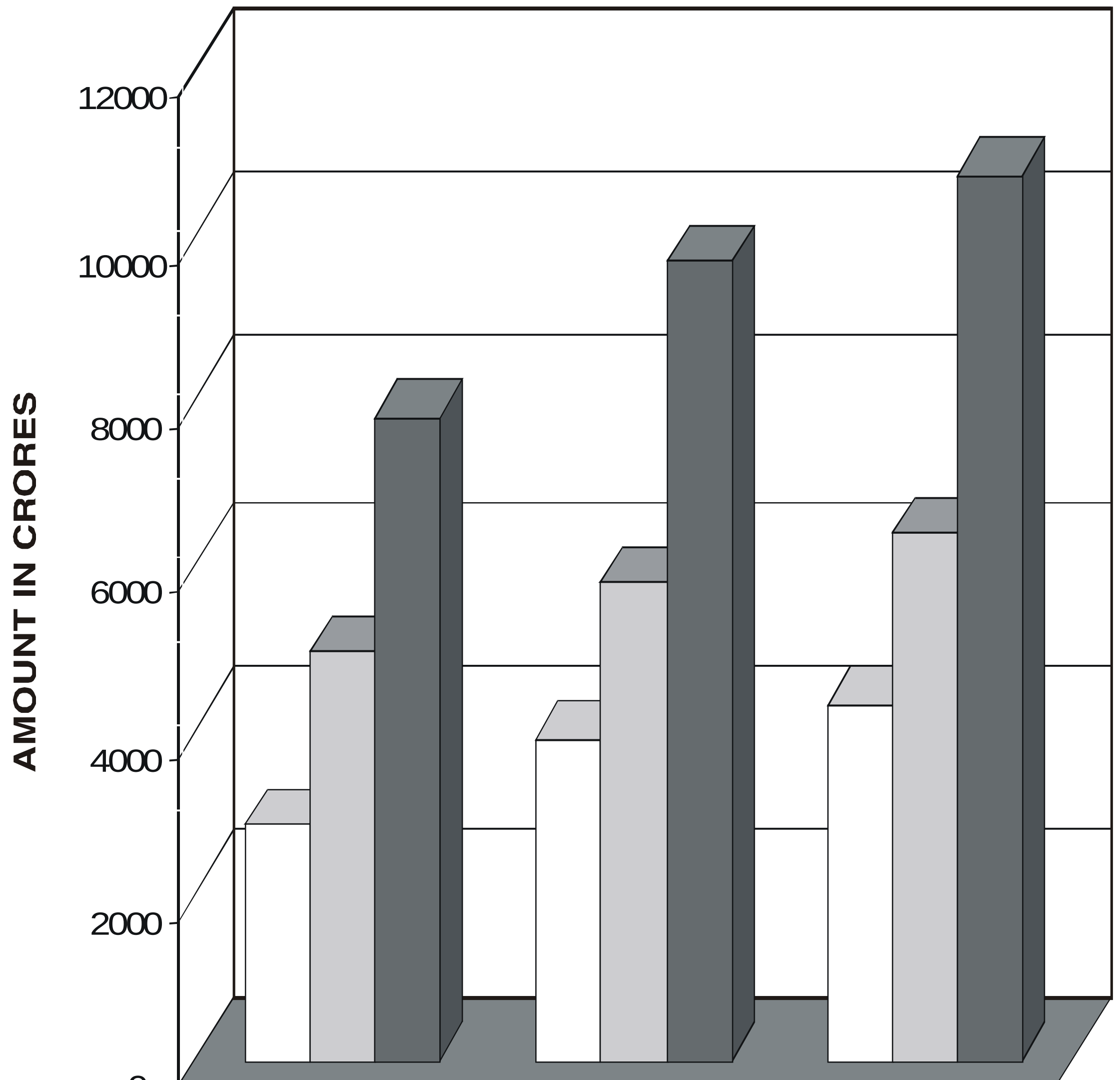
6.47 The Government of India and the Employees' Provident Fund Organisation are Associate Members of the International Social Security Association (ISSA), Geneva, while the Employees' State Insurance Corporation is a affiliate member. During 2001, India participated in the following important events of ISSA.

- ISSA Conferences on Strategies and meeting of Working Group from 16.1.2001 to 19.1.2001 held at Paris.
- ISSA Training Seminar on Organisational change in Asia and the Pacific from 7.5.2001 to 11.5.2001 held at Canberra, Australia.
- 27th General Assembly of ISSA from 9.9.2001 to 15.9.2001 held at Stockholm.
- ISSA Seminar for Acturaies and Statisticians from 21-22nd November, 2001 held at Montevideo, Urugoy.
- 18th ISSA Regional Training Course for Asia and the Pacific from 21st to 31st January, 2002 held at Malaysia.


ESTABLISHMENTS COVERED UNDER THE ACT
(In No.'s)
318430
326541
340013
31.03.1999
31.03.2000
31.03.2001

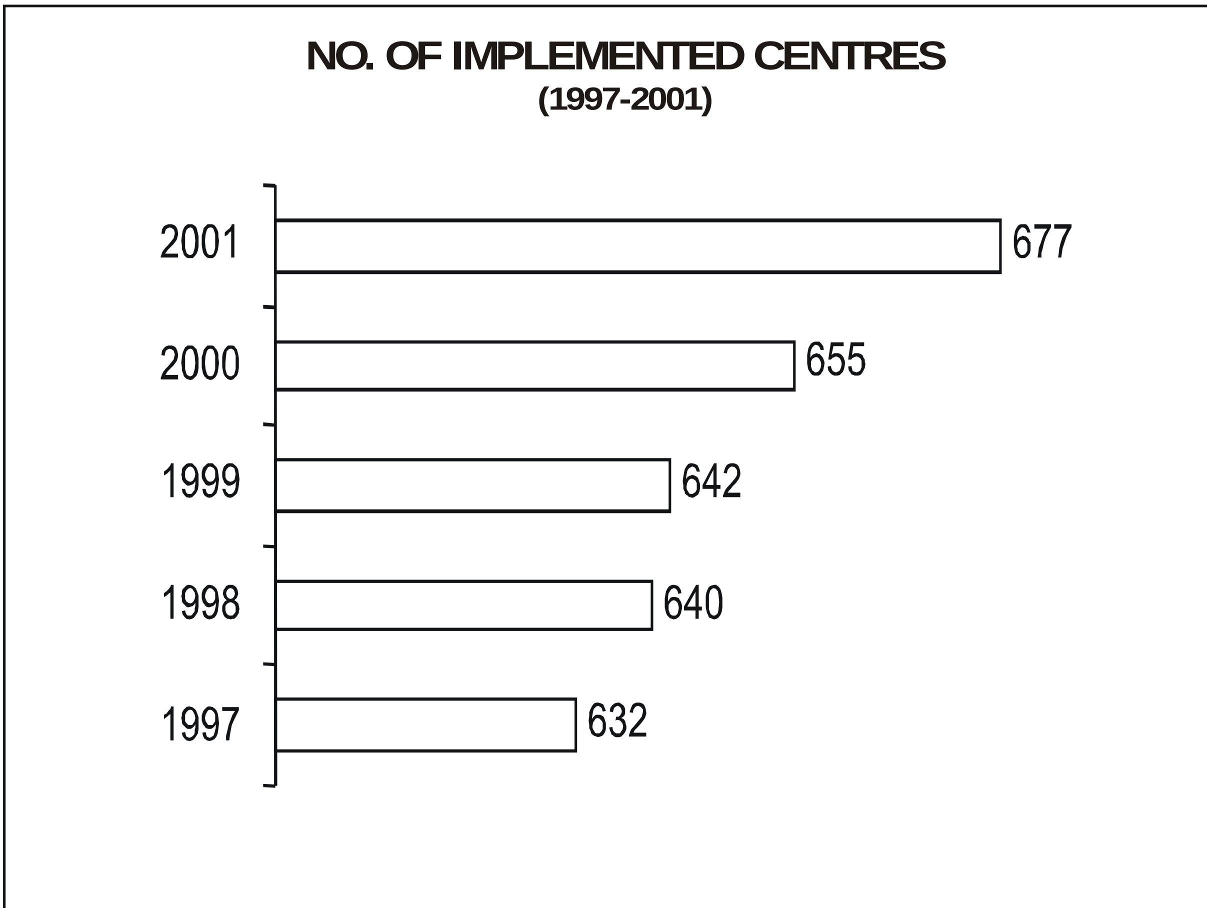

EMPLOYEES' PROVIDENT FUND MEMBERS (In Lakhs)
41.08
190.11
231.19
43.40
201.97
245.37
42.60
220.41
263.01
31.03.1999
31.03.2000
31.03.2001
YEARS
EXEMPTED
UNEXEMPTED
TOTAL

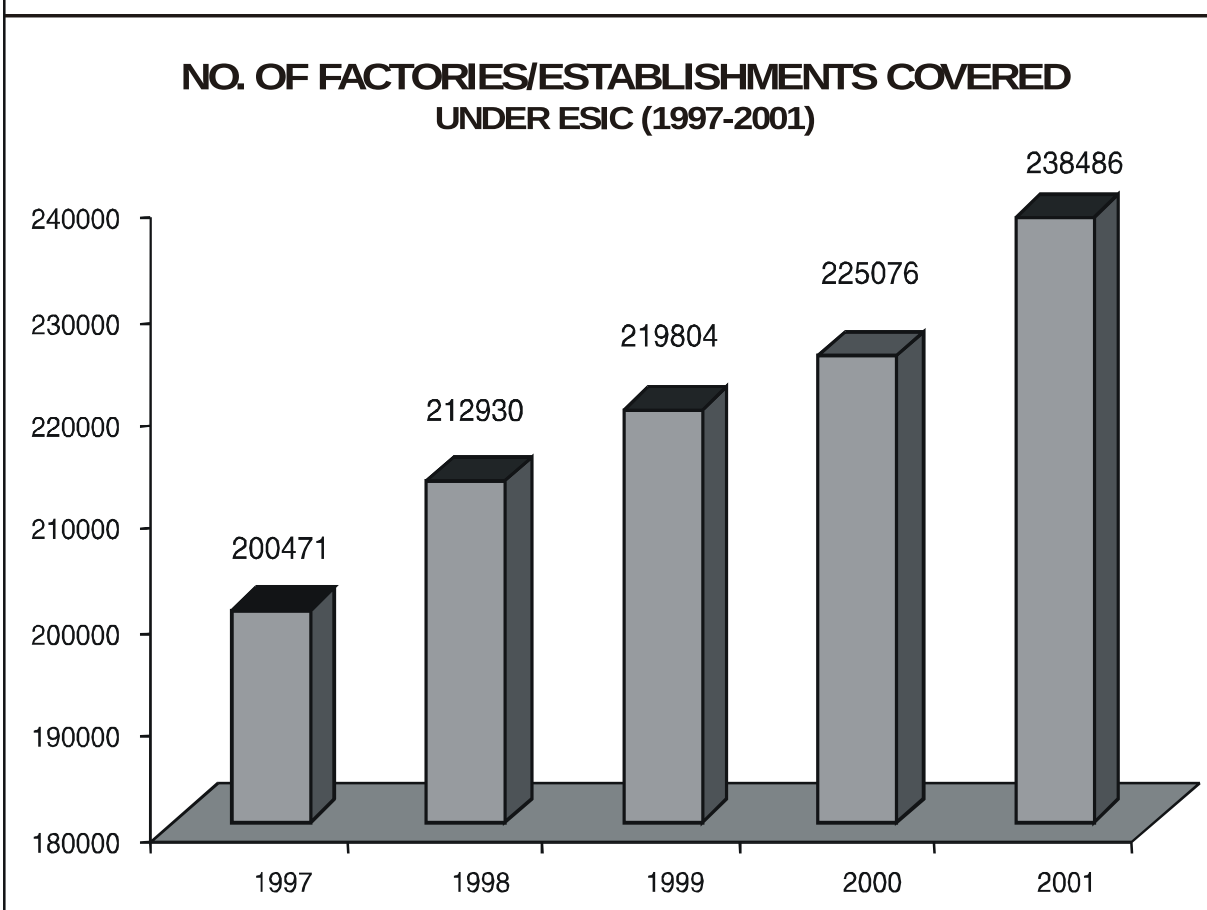
PROVIDENT FUND CONTRIBUTIONS



	1998-99	1999-00	2000-01
EXEMPTED	2841.36	3904.14	4328.89
UNEXEMPTED	4954.18	5778.08	6399.55
TOTAL	7795.54	9682.22	10728.44

YEARS


NO. OF IMPLEMENTED CENTRES
(1997-2001)
2001
677
2000
655
1999
642
1998
640
1997
632


NO. OF FACTORIES/ESTABLISHMENTS COVERED
UNDER ESIC (1997-2001)
240000
230000
220000
210000
200000
190000
180000
200471
212930
219804
225076
238486
1997
1998
1999
2000
2001